



The Commonwealth of Massachusetts

Department of Revenue

Leveeett Saltonstall Building,

100 Cambridge Street, Boston 02204

L. JOYCE HAMPERS
COMMISSIONER

December 16, 1982

You inquire whether the Massachusetts sales or use tax applies to separately-stated charges imposed by ("Company") for assembly of its products.

The Company manufactures and sells office "work units," each of which consists of an enclosed work area, work surfaces, shelves and drawers. The work units are free standing, that is, they are not affixed to the premises in which they are located.

The Company ships the units in parts to the place where they will be used. There, the units are assembled by employees of the Company or by independent contractors engaged by the Company. In either case, the Company sets forth a separate charge for assembly of the units on its invoice to its customer.

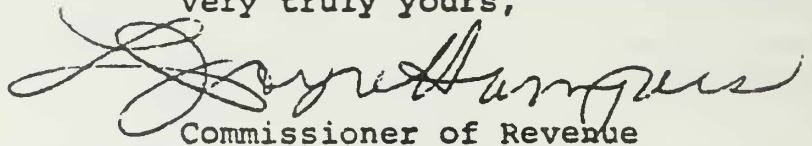
In determining the sales price of property on which the Massachusetts sales and use taxes are based, no deduction may be taken on account of the cost of materials used, labor or service cost, or other expenses, and any amount paid for any services that are a part of a sale must be included (G.L. c. 64H, s. 1(14)).

Separately-stated charges for installation of property sold (as, for example, separate hook-up charges imposed by a vendor of gas ranges) are not part of the sales price (G.L. c. 64H, s. 1(14)(c)(iii)). Assembly is not considered installation for purposes of this rule.

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Based on the foregoing, it is ruled that the Company's charges for assembly of the work units are subject to the sales or use tax.

Very truly yours,

A handwritten signature in cursive script, appearing to read "Jayne Hargus", written in dark ink.

Commissioner of Revenue

LJH:JXD:mf

LR 82-117